



Pentegra Offers Top Retirement Planning Tips for 401(k) Day September 6

White Plains, NY, September 3, 2019 – [Pentegra](#), a leading provider of retirement plan programs and services, is encouraging people to consider their retirement planning strategy in conjunction with [National 401\(k\) Day](#) on September 6, 2019.

According to Richard Rausser, Senior Vice President, Pentegra, “401(k) plans have become the primary vehicle for saving for retirement. The prospect of saving *enough* money to comfortably retire can be overwhelming. With this year’s 401(k) Day, we want to emphasize that realistically, small actions really can lead to big results.”

Rausser suggests these tips for retirement planning:

- 1. Set a date.** No matter how old you are, think about a realistic retirement date based upon where you are now and how long you expect to work.
- 2. Do the math.** Calculating a retirement savings goal does more than provide an estimate of how much money you will need. It requires you to visualize the specific details of your desired retirement lifestyle. Take a critical first step to develop a strategy by using an online retirement income calculator. Start with these questions: When do you plan to retire? How much money will you need each year? Where and when do you plan to get your retirement income? Are your investment expectations in line with the performance potential of the investments you own? Which expenses will likely change in retirement?
- 3. Start saving as early as you can.** The money you invest now will grow over time thanks to compounding interest—which is what happens when you earn money not just on contributions to your account, but also on the earnings themselves. It is interest on interest and allows your savings to grow faster. Even if you only have ten years to retirement, it’s never too late to let compounding work its magic.
- 4. If you are not already in the game, get in it now.** If you are not deferring a portion of your salary to your employer’s 401(k) plan, you should be. Any matching contributions you receive is “free money.”
- 5. Save as much as you realistically can.** Analyze your current expenses to see where you can save more. Small savings really add up: a gourmet cup of coffee can cost \$5. Purchased five days a week over an average of 260 work days a year, those coffees can add up to \$1,300 a year. Multiply that by 40 years of work, and you have spent \$52,000. Assuming a 6% compound annual growth rate, that could equate to \$152,000 -- money spent on coffee that could have been saved for retirement.
- 6. Increase your 401(k) savings rate with each pay raise.** Making tax-deferred contributions is one of the best ways to save. Pretax salary deferrals reduce current taxes as they are not included in your current taxable income. The same is true of the investment earnings your deferrals generate. As your rate of pay increases, so should your contributions to a retirement savings plan. If you are putting 5% of your salary into a retirement savings plan,

consider increasing to 6% or 7%; if you are at the 6% level, consider 7% or 8%. Many workers receive annual salary increases which is the perfect time for taking some of that increase and putting it directly into your retirement savings.

7. **Play catch-up.** Take advantage of catch-up contributions that allow you to contribute even more to a 401(k) account if you are age 50 or older.
8. **Review your portfolio regularly.** Asset allocation decisions are among the most important that you can make. Remember to rebalance your account periodically so that you don't stray too far from your asset allocation goal.
9. **Plan with your partner.** If you are married, relying only on one partner's retirement savings to support you both can be a mistake. Plan jointly with your spouse to get the maximum advantage.
10. **Commit to doing all of the above every year.** Most people spend more time planning a vacation than planning for retirement. Keep focused on your goals and continue to improve what you are doing each year.

Rausser adds, "Once you have your retirement strategy, don't put it on auto-pilot. Retirement planning is more important than ever before as people are living longer and having to support themselves for a longer time period after retirement. While saving requires sacrifice, focus on the rewards by visualizing the retirement that you want. Taking that first step can be the hardest, but once you have a plan, your odds of retiring comfortably can only increase."

[More retirement planning essentials here.](#)

Pentegra is a leading provider of retirement planning and fiduciary outsourcing solutions to organizations nationwide. Founded by the Federal Home Loan Bank System in 1943, Pentegra offers a broad array of qualified and non-qualified retirement plan solutions, TPA services and benefits financing solutions using BOLI. In addition, Pentegra, through Pentegra Investors, Inc., also serves the needs of institutional investors, offering investment outsourcing capabilities. For more information: www.pentegra.com.

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